



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
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SEP 10 1997

IN REPLY
REFER TO

AQOG

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 97-84 , Managing DD Form 250 Rejection Rates
(POLICY)**

This is a **POLICY** memorandum. It will expire when policy is incorporated in DLAD 5000.4. Target audience: All DCMC employees involved with the DD Form 250 process.

Recent Internal Operations Assessments (IOAs) and Customer Liaison Reports (CLRs) have identified a systemic problem with the management of the DD Form 250 process. Contractors are experiencing delayed payments due to errors in DD Form 250 processing and DCMC Contract Administration Offices (CAOs) are expending resources in correcting the problems associated with a significant reject rate. Although contractors are responsible for correctly preparing the DD Form 250, this memorandum specifically requires the Districts and CAOs to initiate actions to improve the process and reduce the rejection rate. These may include discussions with local Management Councils or corrective action with the contractor.

Review of data representing a 5 day period, using Mechanization of Contract Administration Services (MOCAS) Report UNMC140B, indicates we are collectively experiencing an average of 330 DD Form 250 rejections per day. Based on a conservative estimate of one DCMC man-hour to rework (correct the error and reprocess) each rejection, we are suffering an annual loss of over 40 man-years. We must eliminate this unnecessary DCMC rework cost and expedite the processing of DD Forms 250.

Districts and CAOs need to actively manage and eliminate their DD Form 250 rejections. Data (e.g., MOCAS Reports UNMC140A & B) must be analyzed to identify process drivers and focus on pacing CAOs. HQ DCMC, the Districts and CAOs will work as a team to address problems and track improvement. After sufficient data has been gathered and analyzed, HQ DCMC will meet with appropriate District and CAO personnel to discuss and develop required policy changes. DD Form 250 rejections will be a special topic at future MMRs, where each District shall report their daily rejection rates, and how they are working the greatest opportunities for improvement. I know we can improve this process and I rely on you to make it happen. My point of contact is Mr. John Childers, Product & Manufacturing Assurance Team (AQOG), at (703) 767-2366 or DSN 427-2366.

TIMOTHY P. MALISHENKO
Brigadier General, USAF
Commander